

Delivra Corp.

(TSXV:DVA)

Healing Power the Transdermal Way

Company Description

Delivra Corp. ("Delivra") is a specialty biotechnology company that utilizes a proprietary transdermal delivery system platform to shuttle pharmaceutical and natural molecules, through the skin, in a targeted-specific manner. The Company manufactures and sells a line of natural topical creams under the *LivRelief* brand, for conditions such as joint and muscle pain, nerve pain, varicose veins, wound healing, and under the *LivSport* brand for sports performance. *LivRelief* products are available in pharmacies, grocery chains, and independent health food stores across Canada and on-line. Specifically of importance, *LivRelief* Pain Relief Cream and *LivRelief* Nerve Pain Cream are the #1 Selling natural topical creams in the Canadian over-the-counter (OTC) market. In conjunction with its consumer products business, Delivra also has an active mandate to license its patent-pending delivery platform to pharmaceutical companies globally for the transdermal delivery of third-party active ingredients to treat a broad range of conditions.

Investment Highlights

- Delivra's robust product portfolio targets the fast-growing transdermal delivery market.** In a report published in November 2017, Infoholic Research LLP estimated the Global Transdermal Drug Delivery market to reach \$60 billion by 2023 from \$32 billion currently, with an compound annual growth rate (CAGR) of 10%. This level of sustained growth implies high demand for potent, next-generation therapeutics that are safer and have improved efficacy relative to oral delivery methods. Delivra's diversified pharmaceutical and OTC product portfolios combine for \$5 million in annual sales. The pharmaceutical portfolio targets Diabetic Wound Healing, Inflammatory Diseases, and Cannabis-Based Therapeutics.
- Recent partnership with NKS Health provides supplementary income stream.** In February 2018, the Company signed a non-exclusive distribution agreement with NKS, a specialty pharmacy, to compound, promote, market and sell pharmaceutical product formulas developed by Delivra. In addition to existing sales of the *LivRelief* portfolio, Delivra will now receive revenue from the sale of products in its pharmaceutical development pipeline.
- Untapped market potential in Cannabis-Based Therapeutics.** Cannabinoid therapy is a rapidly-emerging field of medicine that is quickly demonstrating its applicability to a range of acute and chronic indications, those related to pain management. In May 2017, Delivra signed an exclusive licensing deal with ARA-Avanti Rx Analytics, a subsidiary of Nuuvera Inc. (TSX-V: NUU), to co-develop medical-grade products in a mono-dose format. This agreement provides Delivra with a 10% royalty from gross sales generated from the product and an opportunity to develop medicinal products using hemp for the medical pain-related research, development and commercialization markets.

Financial Analysis

- In 2016, the Company generated \$3.7 million in annual revenue.** As of Q3/17, consolidated sales stood at \$3.3 million, which is projected to exceed \$4 million for the full year. On a quarterly basis, Q3/17 revenue was up 47% vs. the prior year. Operating expenses came in 57% lower YoY in Q3/17 vs. Q3/16.

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Price Performance



Market Data (TSXV: DVA)

| | |
|---|----------------|
| Price (February 20, 2018) | \$0.38 |
| 52 Week Range | \$0.27- \$0.66 |
| Market Cap (M) | \$17.1 |
| Current Shares Outstanding (basic, M) | 43.9 |
| Current Shares Outstanding (fully diluted, M) | 53.3 |
| Free Float | 71% |
| Average Daily Volume (3 months) | 172,778 |
| Last Reported Cash (M)* | \$0.8 |
| Total Assets (M) | \$3.4 |
| Total Debt (M) | \$3.9 |

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|-------------------------|-------|
| Revenue (M): | |
| 2015A | \$2.9 |
| 2016A | \$3.8 |
| LTM (as of Sept. 30/17) | \$4.3 |

Headquarters Hamilton ON, Canada

Top Shareholders

Management & Insiders 29%

Management

| | |
|-----------------------------|----------------------|
| Dr. Joseph Gabriele, Ph.D. | CEO & Director |
| Pascal Attard, CPA | VP, Finance |
| Carmine Fortino | Director |
| Dr. David Baranowski, Ph.D. | Director of Research |
| Paul G. Smith | Director |
| David T. Thibodeau | Director |

*As of quarter ended September 30, 2017

All figures in CAD unless otherwise stated.
 Source: Company Reports, Thomson Reuters



Source: Company Presentation

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